GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:5040
ANSWERED ON:26.04.2002
DUTY FREE IMPORT OF EQUIPMENTS FOR SERVICE SECTOR
DALPAT SINGH PARASTE;RAMSHETH THAKUR

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Union Government propose to allow duty free import of equipment by corporates for service sector exports in areas like education, medical, accountancy and consultancy;

(b) if so, the details thereof;

(c) the extent to which it would help the corporates to achieve the export target; and

(d) the other incentive proposed to be given to service sector?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDY)

(a) to (d): The Exim Policy 2002-07 permits concessional duty import of capital goods/equipmentby the service sector under the Export Promotion Capital Goods (EPCG) Scheme. The goods can be imported at 5% Customs duty subject to an export obligatior equivalent to 5 times the CIF value of the goods imported which is to be fulfilled over a period of 8 years reckoned from the date of issuance of the licence. Additionally the service sector is not required to maintain the average level of exports under this Scheme which would facilitate in achievement of the export obligation. The service sector can also avail of the funds under the Market Access Initiative (MAI) for export promotion. The service sector is also eligible for Export House Status on a lower threshold limit of Rs 5 crores.